
Commerce & Labor Committee

HB 2873

Brief Description: Permitting local governments to limit house-banked social card games within their jurisdictions.

Sponsors: Representatives Conway, Green and Simpson.

Brief Summary of Bill

- Allows local jurisdictions to limit the number of house-banked social card game businesses.
- Deems local legislative acts limiting house-banked social card games in effect on December 1, 2009, in compliance with the law.

Hearing Date: 1/27/10

Staff: Joan Elgee (786-7106).

Background:

The Washington State Gambling Act (Act) grants the Gambling Commission (Commission) exclusive authority to license and regulate gambling activities. The Commission issues licenses to conduct social card games, including house-banked card games, as a commercial stimulant. The Commission may not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses.

A local jurisdiction's authority over gambling activity is limited to absolutely prohibiting a gambling activity and imposing restrictions such as parking requirements that apply to other commercial activities. In 2003 the State Court of Appeals Division 1 (Court) invalidated a city ordinance that banned certain new gambling facilities but allowed existing ones to continue to operate for five years. The Court ruled that the "phasing-out" provision amounted to a regulation of gambling activity and was preempted by the Act.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Commission identifies about 20 jurisdictions that have zoning ordinances, partial bans, or moratoria relating to card games. About 72 card game businesses currently operate in the state.

Local jurisdictions may tax card games at a rate not to exceed 20 percent of gross sales.

Summary of Bill:

The Legislature intends to assure that local jurisdictions have authority to ban house-banked social card games (card games) or allow card games. In addition, the Legislature intends to give local jurisdictions a tool to limit card games and to legalize prior efforts by local jurisdictions to limit card games.

A local jurisdiction may continue to absolutely prohibit card games. A local jurisdiction may also limit the number of card game businesses. The number of businesses is the number located in the jurisdiction on the effective date of the local legislative act limiting card games. This number is reduced by one for each business that ceases to operate. A business ceases to operate when it does not owe any gambling taxes for six consecutive months. If a business ceases to operate, sale of the business (other than a sale in connection with a change of location outside the jurisdiction) and a change of location within the jurisdiction are prohibited. Unless the business ceases to operate, however, nothing in the provisions prohibits the sale of the business, the sale of nongambling assets, or a change of location. A card game licensee or purchaser of a card game business may not increase the number of tables after a limiting act is adopted. A local jurisdiction may not repeal its legislative act for 10 years.

A local legislative act in effect on December 1, 2009, that limits card games is deemed to be in compliance with the law.

A local jurisdiction that has adopted a limitation on card games (whether prior to December 1, 2009, or under the new authority) must file a copy of the legislative act with the Commission. The Commission must adopt rules allowing electronic filing. When a card game licensee or applicant applies or reapplies for a license, the licensee or applicant must verify that it is permitted to conduct card games in its chosen location. Verification may consist of a letter certifying that the licensee may operate at the chosen location.

The Commission, its members, and staff are absolutely immune from any legal action relating to a decision of the Commission to issue, renew, or not issue a card game license under the law or based on the interpretation of any local legislative act. No court, board, or other tribunal has jurisdiction to join the Commission as a party to any such legal action.

Appropriation: None.

Fiscal Note: Requested on January 20, 2010.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.